



American Electric Power Service Corporation

as agent for

Southwestern Electric Power Company

Request for Proposals

Totaling up to approximately

31 MW

of name-plate rated

New Renewable Resources

Capable of being on-line between 1/1/2011 and 12/31/2014

Issued

April 11, 2011

Web Address: <http://www.swepco.com/go/rfp/>

Pre-Bid Technical Conference & Webinar:

April 28, 2011 – 9:30 a.m. CDT

Location - Greater Shreveport Chamber of Commerce Building, Shreveport, LA

Proposals Due:

June 15, 2011 12:00 noon CDT (Columbus, OH)

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1. Introduction

- 1.1 American Electric Power Service Corporation (AEPSC), a subsidiary of American Electric Power Company, Inc. (AEP) is administering this Request for Proposals (RFP) on behalf of Southwestern Electric Power Company (SWEPCO), in association with the Louisiana Renewable Energy Pilot Program Implementation Plan¹. AEPSC is requesting bids which will result in obtaining up to approximately 31 MW of nameplate “New Renewable Resources” that (1) has entered commercial service on or after January 1, 2010, (2) has increased its nameplate capacity rating above what existed on December 31, 2009, with the increase in nameplate capacity qualifying as “new”, or (3) a renewable resource that entered commercial service prior to January 1, 2010 and that has been re-tooled on or after January 1, 2010, if the electric generation equipment’s appraised value after re-tooling is composed of 80% new invested cost at the time the project is re-launched. The other 20% of the appraised value at re-launch, can be made up of previously used electric generation equipment and associated infrastructure.¹ New Renewable Resources shall be interconnected with the transmission facilities of the Southwest Power Pool (SPP), the transmission or distribution facilities of SWEPCO, or must be able to obtain firm transmission service to SPP or SWEPCO. The Point of Delivery for all New Renewable Resources shall be the interconnecting point to SPP or the distribution facilities of SWEPCO. All New Renewable Resources must be capable of being operational no later than December 31, 2014.

The general schedule for the RFP process is shown below (See also Section 3.1):

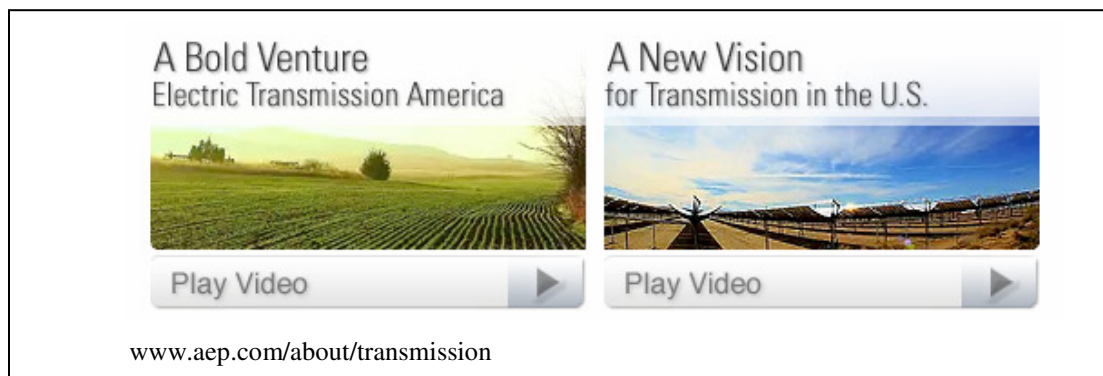
| | |
|---|--------------------------------|
| Issue RFP | April 11, 2011 |
| Pre-Bid Technical Conference & Webinar | April 28, 2011 |
| Proposal Due Date | June 15, 2011 (12:00 noon CDT) |

¹ Refer to finalized LPSC Renewable Energy Pilot Program Implementation Plan as referenced in Docket No.R-28271 Subdocket B.

Throughout the RFP process, interested parties or developers may ask questions to AEPSC via instructions located at the website SWEPCO established for this RFP (www.swepco.com/go/rfp). Responses to submitted questions will be posted on the SWEPCO website. The author's names, with the exception of LPSC Staff questions, will not be posted. Potential bidders with commercially sensitive information will be able to submit questions on a confidential basis with responses going solely to the bidder and not posted on the website.

AEPSC and SWEPCO reserve the right to amend this RFP at any time and at its sole discretion. Amendments to this RFP will be posted at the SWEPCO website for this RFP. In addition, all developers that have completed and submitted the Expression of Interest Form (Appendix A) shall be notified electronically by AEPSC of any RFP amendment posting.

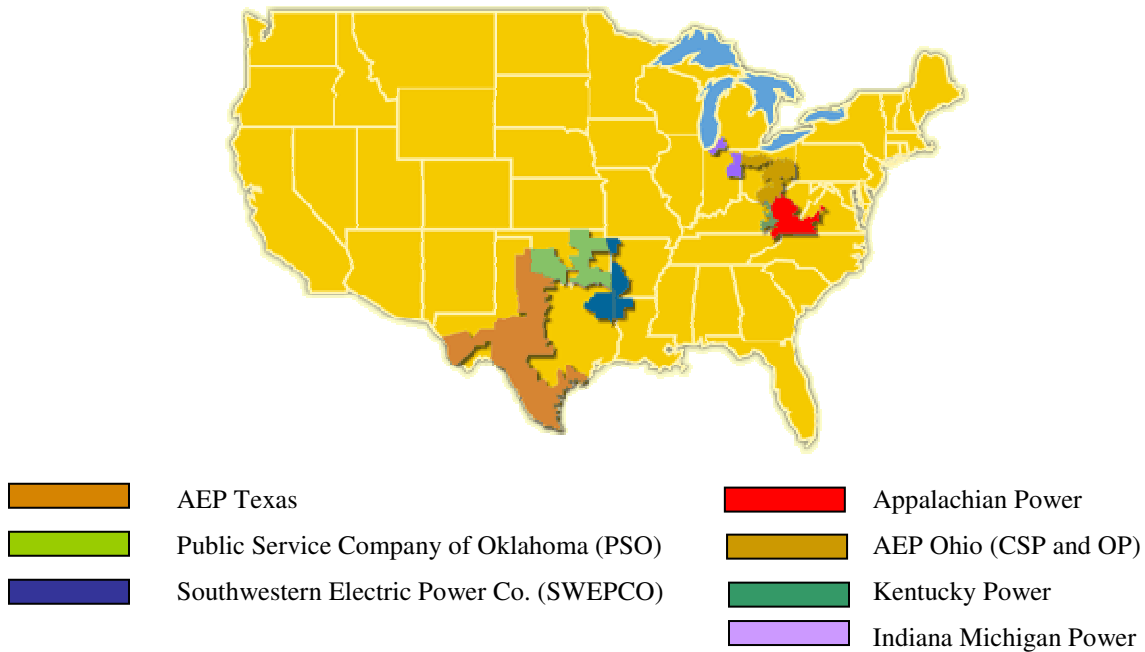
- 1.2 American Electric Power is one of the largest electric utilities in the United States, delivering electricity to more than 5.2 million customers in 11 states. AEP ranks among the nation's largest generators of electricity, owning nearly 38,000 megawatts of generating capacity in the U.S. AEP also owns the nation's largest electricity transmission system, a nearly 39,000-mile network that includes more 765 kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP's leadership on the further build-out of the nation's grid is evidenced by several notable transmission project initiatives referenced in videos on AEP's website:



AEP's utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana

Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana and Texas). AEP's headquarters are in Columbus, Ohio.

AEP Service Territory



More information about AEP can be accessed by visiting www.aep.com

1.3 AEP Utility Subsidiary Credit Ratings as of March 2011

| Company | Senior Unsecured | | |
|-------------------------------------|------------------|-----|-------|
| | Moody's | S&P | Fitch |
| Appalachian Power Company | Baa2 | BBB | BBB |
| Columbus Southern Power Company | A3 | BBB | A- |
| Indiana Michigan Power Company | Baa2 | BBB | BBB |
| Kentucky Power Company | Baa2 | BBB | BBB |
| Ohio Power Company | Baa1 | BBB | BBB+ |
| Public Service Company of Oklahoma | Baa1 | BBB | BBB+ |
| Southwestern Electric Power Company | Baa3 | BBB | BBB |

1.4 AEP Renewable Energy Experience:

AEP's Renewable Energy experience includes the ownership of 594 MW of wind and hydro generation; and long-term renewable energy power purchase agreements for 1,761 MW of wind, hydro, and solar generation. The following table summarizes the AEP assets and renewable energy purchase commitments:

AEP - Renewables Summary

As of 3/29/2011



| Non-regulated Wind Assets and REPAs ¹ | | | | | | | |
|--|-------|-------|--------|-----------------|----------------------|---------------|---------------------|
| Project | State | RTO | Online | MW | Developer / Owner | Equipment Mfg | Offtaker |
| Southwest Mesa | TX | ERCOT | 1999 | 75 | NextEra (FPL) | GE | AEPEP |
| South Trent | TX | ERCOT | 2008 | 102 | Babcock & Brown | Siemens | AEPEP |
| Desert Sky | TX | ERCOT | 2001 | 160.5 | AEPEP (Owner) | GE | City of San Antonio |
| Trent Mesa | TX | ERCOT | 2001 | 150 | AEPEP (Owner) | GE | Luminant |
| Total Owned or Under Contract (Non-regulated) = | | | | 487.5 MW | | | |

| Regulated Hydro Assets and REPAs ¹ | | | | | | | |
|---|---------|-----|-------------|-----------------|-------------------|---------------|----------------|
| Project | State | RTO | Online | MW | Developer / Owner | Equipment Mfg | AEP Offtaker |
| 6 Hydro Facilities | IN / MI | PJM | 1902 - 1923 | 22.4 | I&M | Various | I&M |
| Racine | OH | PJM | 1982 | 47.5 | OP | - | OP |
| 9 Hydro Facilities | TX | PJM | 1903 - 1964 | 213.6 | APCO | Various | APCO |
| Summersville | WV | PJM | 2001 | 80 | Enel (owner) | - | APCO |
| Total Owned or Under Contract (Regulated) = | | | | 363.5 MW | | | |

| Regulated Operating Company REPAs ¹ (Wind / Solar) | | | | | | | |
|---|-------|-----|--------|------------------|-----------------------|----------------|---------------------|
| Project | State | RTO | Online | MW | Developer | Equipment Mfg | AEP Offtaker |
| Weatherford | OK | SPP | 2005 | 147 | NextEra (FPL) | GE | PSO |
| Blue Canyon II | OK | SPP | 2005 | 151.2 | Horizon Wind Energy | Vestas | PSO |
| Sleeping Bear | OK | SPP | 2008 | 94.5 | Edison Mission | Suzlon | PSO |
| Camp Grove | IL | PJM | 2008 | 75 | Orion Energy Partners | GE | APCO |
| Fowler I | IN | PJM | 2009 | 100 | BP / Dominion | Clipper/Vestas | I&M |
| Majestic | TX | SPP | 2009 | 79.5 | NextEra (FPL) | GE | SWEPCO |
| Fowler III | IN | PJM | 2009 | 100 | BP Wind Energy | Clipper/Vestas | APCO |
| Blue Canyon V | OK | SPP | 2009 | 99 | Horizon Wind Energy | GE | PSO |
| Grand Ridge II | IL | PJM | 2009 | 51 | Invenery LLC | GE | APCO |
| Grand Ridge III | IL | PJM | 2009 | 49.5 | Invenery LLC | GE | APCO |
| Fowler II | IN | PJM | 2009 | 50 | BP Wind Energy | GE | I&M |
| Fowler II | IN | PJM | 2009 | 50 | BP Wind Energy | GE | OP |
| Fowler II | IN | PJM | 2009 | 50 | BP Wind Energy | GE | CSP |
| Elk City | OK | SPP | 2010 | 98.9 | NextEra (FPL) | Siemens | PSO |
| Wyandot Solar | OH | PJM | 2010 | 10.1 | juwi / PSEG | First Solar | OP & CSP |
| Beech Ridge | WV | PJM | 2010 | 100.5 | Invenery LLC | GE | APCO |
| Minco | OK | SPP | 2010 | 99 | NextEra (FPL) | GE | PSO |
| Timber Road ² | OH | PJM | 2011 | 54.45 | Horizon Wind Energy | Vestas | OP |
| Timber Road ² | OH | PJM | 2011 | 44.55 | Horizon Wind Energy | Vestas | CSP |
| Total Under Contract (Regulated) = | | | | 1504.2 MW | | | |

| Regulated Operating Company "Pipeline Deals" (Wind / Solar) | | | | | | | |
|---|----------|-----|--------|-----------------|-----------------------|---------------|---------------------|
| Project | State | RTO | Online | MW | Developer / Owner | Equipment Mfg | AEP Owner/Offtaker |
| Turning Point Solar ³ | OH | PJM | 2012 | 49.9 | Turning Point / AEPOH | Isototon | OP & CSP |
| 2011 I&M Wind RFP ³ | IN or MI | PJM | 2012 | 100 | (bids due 2/24/2011) | tbd | I&M |
| Total "Pipeline Deals" (Regulated) = | | | | 149.9 MW | | | |

AEPEP - AEP Energy Partners
 APCO - Appalachian Power Company
 CSP - Columbus Southern Power Company
 I&M - Indiana Michigan Power Company
 OP - Ohio Power Company
 PSO - Public Service Company of Oklahoma
 SWEPCO - Southwestern Electric Power Company

Non-regulated Wind (On-line)
 Regulated Hydro (On-line)
 Regulated Wind and Solar (Online)
 Regulated Wind & Solar (Not Online)
 Early stage Regulated Wind and Solar

Note 1: REPA - Renewable Energy Power Purchase Agreement
 Note 2: Pending regulatory approval
 Note 3: Not yet under construction; Pending regulatory approvals

2. Purpose and Scope

2.1 Purpose and Background:

The purpose of this solicitation is to support the requirements as set forth by the Louisiana Public Services Commission's (LPSC) Renewable Energy Pilot Program Implementation Plan and fulfill a portion of AEP's energy and capacity requirements via Renewable Energy Resources. This RFP document solicits proposals to acquire energy and all associated capacity, ancillary services (if any) and environmental attributes including renewable energy credits (RECs) from one or more New Renewable Resources as specified in the LPSC Renewable Energy Pilot Program Implementation Plan as referenced in Docket No. R-28271 Subdocket B that are capable of meeting the conditions of this RFP.

2.2 Product Description:

This RFP seeks to acquire up to approximately 31 MW of nameplate rated New Renewable Resources. SWEPCO expects to contract for the output of New Renewable Resources acquired pursuant to this RFP by means of one or more long term renewable energy purchase agreements (REPA). Each REPA shall have a minimum term of ten (10) years and a maximum term of twenty (20) years. In addition, each REPA shall require minimum performance standards associated with meeting project in-service dates, annual production targets, reporting, communication, and security requirements.

2.2.1 New Renewable Resource Technologies: means commercially proven technologies for the production of electric energy. Generation technologies eligible to bid into this RFP include the following (see Appendix H – "Glossary of Eligible Resources"):

- Biologically derived methane gas (including landfill gas)
- Biomass energy
- Black Liquor
- Combined Heat and Power ("CHP") based on non-fossil fueled resources

- Distributed generation systems based on non-fossil fueled resources
- Fuel cells
- Geothermal energy
- Low impact hydropower
- Ocean thermal, wave, tidal, hydrokinetic
- Ocean wave
- Solar photovoltaic
- Solar thermal
- Urban waste
- Waste Heat Recovery (“WHR”)
- Waste-to-energy including municipal solid waste (“MSW”)
- Wind power
- Wood and wood waste

Note: For New Renewable Resources that require the use of some amount of non-renewable fuel for ignition, startup, testing, flame stabilization, and control uses, the maximum amount of non-renewable fuel that may be used shall be limited to 5% of total fuel consumption in accordance with the requirements (Section 4.1) of the LPSC’s Renewable Energy Pilot Program Implementation Plan.

2.2.2 Size: New Renewable Resource projects must have a minimum nameplate rating of at least 2 MW.

2.2.3 Project Expected on-line date: Project bids will be submitted on the due date provided in Section 3 and must come online between 1/1/2011 and 12/31/2014.

2.2.4 Bid Price Structure:

A. Bundled Renewable Energy Prices: The bundled renewable energy product (energy + REC + capacity + beneficial environmental interests) must be bid on an all-in “as-available” per MWh basis with no

separate capacity payment. Two separate bid pricing structures shall be bid as outlined in Appendix B-1.

- Bid Price “A” shall be a flat around the clock (ATC) price (\$/MWh) for the entire Term of the proposal – NO ESCALATION.
- Bid Price “B” shall be the initial Year 1 ATC price (\$/MWh). “Bid Price “B” shall assume an annual escalation of 2.25% during the term of the Renewable Energy Purchase Agreement (REPA) based on the Year 1 bid price. For clarification, the price for production Year 2 will be 2.25% above the price in Year 1. (Note: as referenced in the LPSC Renewable Energy Pilot Program Implementation Plan (Section 9), bids may not be indexed to a fuel price.)

AEP reserves the right during negotiations to request that the pricing be converted to a time-of-day pricing structure (premium peak, peak, off-peak).

2.2.5. All – in Price: Pricing must include all capital costs, fixed and variable O&M costs, and any other costs associated with delivering the full contracted energy output of the facility to the bid-specified Point of Delivery. Proposals for Non-SPP Resources shall also include all costs associated with firm transmission service (including any associated study costs) for delivery to the point of interconnection with SPP or SWEPCO.

2.2.6. Delivery and Location: The interconnection point with SPP or SWEPCO’s transmission or distribution system will be the Point of Delivery. Information submitted to this RFP must include identification of proposed transmission or distribution interconnection points. Any studies, applications, line extensions and system upgrades identified as part of the interconnection process shall be submitted. Bidders are responsible for following the established policies and procedures that are in effect regarding facility interconnection with a utility’s transmission or distribution system.

2.2.7. Associated Attributes: For purposes of this solicitation, the sale of renewable energy to AEPSC includes the transfer of all capacity, ancillary services (if any) and environmental attributes including associated renewable energy certificates (RECs) and any other current or future environmental attributes, including any greenhouse gas emission reductions associated with the quantity contracted from the facility from the project for the term of the REPA.

3. RFP Schedule and Procedure

3.1. **Schedule**: The following schedule and deadlines apply to this RFP. AEPSC reserves the right to revise this schedule at any time and at its sole discretion.

3.1.1 CDT means Central Daylight Time.

3.1.2 AEPSC and SWEPCO in conjunction with the LPSC will host a pre-bid Technical Conference & Webinar on April 28, 2011 in Shreveport, LA. Information regarding the time and location of the Technical Conference and Webinar will be posted on the SWEPCO website (www.swepco.com/go/rfp). During the Technical Conference & Webinar, AEPSC will give a presentation outlining the Request for Proposals and answer questions from prospective bidders. A copy of the Technical Conference presentation will be available prior to the Technical Conference on SWEPCO's website at the RFP web address listed above.

| Activity | Date | Time |
|--|----------------|--------------|
| RFP Issuance | April 11, 2011 | |
| Pre-Bid Technical Conference & Webinar | April 28, 2011 | 9:30 am CDT |
| Confidentiality Forms Due (optional) | June 1, 2011 | |
| Proposals Due | June 15, 2011 | 12:00 pm CDT |
| Notify Short-Listed Bidder(s) for further Transmission Study | August 1, 2011 | |

3.2 **Proposals Due Date**

All Proposals are due June 15, 2011 (12:00 noon CDT)

3.3 **Submittal of Proposals**

Two (2) original (hardcopy) copies bound of all project proposals, including one (1) full electronic copy of the project proposal on CD which includes the required energy profile must be submitted at the following address no later than 12:00 p.m. CDT on Proposal Due Date.

American Electric Power Service Corporation
ATTN: SWEPCO Renewable RFP Manager
155 W. Nationwide Blvd
Columbus, OH 43215
Email: 2011SWEPCOREnewableRFP@aep.com

The preparation and submission of all project proposals will be at the expense of the bidder.

3.4 **Solicitation of Additional Proposals**

AEPSC reserves the right to solicit additional proposals and the right to submit additional information requests to bidders during the bid evaluation process.

3.5 **Affiliate Bidding Policy**

Neither AEPSC, AEP nor any affiliates of AEP will submit bids in response to this RFP. Appendix A requests each bidder to certify that it has no affiliate relationship with AEP or any AEP affiliate.

3.6 **Information Policy**

For information regarding this RFP visit: <http://www.swepc.com/go/rfp>

4. **Confidentiality of Information**

AEPSC will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all bids submitted. Bidders should clearly identify each

page of information considered to be confidential or proprietary. AEPSC reserves the right to release any proposals to agents or consultants for purposes of proposal evaluation. AEPSC's disclosure policies and standards will automatically bind such agents or consultants. Regardless of the confidentiality, all such information may be subject to review by the appropriate state authority, or any other governmental authority or judicial body with jurisdiction relating to these matters and may be subject to legal discovery. Under such circumstances, AEPSC will make all reasonable efforts to protect bidder's confidential information.

4.1 **Mutual Confidentiality Agreement**

A formal Mutual Confidentiality Agreement (CA) has been included as Appendix D. If a CA is desired by the bidder, the bidder must execute and submit this agreement by the Confidentiality Form Due Date. Once the CA is executed and submitted by the bidder, AEPSC will complete the execution of the agreement and send a copy of the fully executed agreement to the bidder via mail.

5. Bidder's Responsibilities

5.1 **Timely Submission of Bids**

It is the bidder's responsibility to submit all requested material by the deadlines specified in this RFP.

5.2 **Reliability of Completion**

Bidders are responsible for the timely completion of the project and are required to submit proof of their financial and technical wherewithal to ensure the successful completion of the project.

5.3 **Valid Proposal Duration**

Bid pricing must be valid for at least ninety (90) days after the Proposal Due Date, upon which time proposals shall expire unless the bidder has been notified and selected as a short-listed bidder or as a final award recipient.

5.4 **Project Interconnection / Delivery**

5.4.1 The Point of Delivery will be the interconnecting point to SPP or the distribution facilities of SWEPCO. Non-SPP Resources must obtain firm transmission service to SPP or SWEPCO. Bidders must specify in detail the exact location of the Point of Delivery to facilitate the required network transmission service. (Appendix B-1)

5.4.2 Bidders will be required to submit the required generation interconnection applications to SPP for transmission interconnection, to SWEPCO for distribution interconnection, or to other interconnecting utilities for Non-SPP Resources. Bidders shall follow all applicable policies and procedures in effect regarding the proposed generation interconnection. Cost for electrical interconnection and upgrades are the bidder's responsibility.

5.4.2.1 Bids selected to the short-list may be screened for the viability to deliver energy and capacity from the Point of Delivery to SWEPCO's load. The screening and selection process is expected to include an estimate of the cost of upgrades that may be required on the Transmission System of the SPP RTO or other impacted Transmission Providers. Based upon this selection, the Purchaser will request transmission service from the SPP RTO. The actual transmission upgrade requirements as a result of these requests will be determined through the SPP Aggregate Transmission Service Study process and/or the study procedures required by other impacted Transmission Providers. Bidders and LPSC staff recognize that the actual upgrade requirements and expenses may be different than those utilized in the screening process by Purchaser. SWEPCO will be responsible for any costs associated with the SPP Aggregate System Impact Study and any required network upgrades.

5.4.3 Selected Projects may also be screened for current and future expected congestion and evaluated on the anticipated impact any congestion may have on the expected value of the energy (LIP) delivered from AEP's balancing authority in SPP. The cost of this analysis, if any, will be borne by SWEPCO.

5.5 **Compliance with Federal and State Regulations**

Short-listed bidders must provide documentation that will enable AEPSC to assess the bidder's ability to comply with all federal and state regulations, and to obtain all permits, licenses and approvals necessary to construct and operate the project.

5.6 **Clarification of Proposals**

While evaluating proposals, AEPSC may request additional information about any item in the proposal. All requests will be made in writing, and the bidder will be required to respond to the request within three (3) business days of receipt of such request or AEPSC may choose to stop evaluating the bid.

6. Proposal Content Requirements

This section describes AEPSC's expectations and requirements for the RFP bids. AEPSC expects bidders to provide any information that could impact the cost, construction schedule, reliability, dispatch frequency, or output capability of the project. If it appears that certain information is inadvertently omitted from a proposal, AEPSC may contact the bidder to obtain the information.

All proposals must include a table of contents and provide concise and complete information on all of the following topics:

6.1 **Executive Summary**

Provide an executive summary of the bid's characteristics and timeline, including any unique aspects and benefits.

6.2 **Bidder's Information**

Bidders must provide the name of the company, its address, and any company representative(s) (name, phone number and email address). (Appendix A)

6.3 **Experience and References**

Provide a general description of the bidder's background and experience in utility scale renewable energy power projects similar to its proposal, including any affiliated companies, holding companies, subsidiaries or predecessor companies presently or in the past engaged in developing renewable energy power supply projects. In addition, provide three (3) or more references from projects where the bidder, or any of its affiliates, has completed the development and construction of a power project similar to the one proposed to SWEPCO. If the bidder has fewer than three projects, it shall provide as many references as possible. (Appendix F)

6.4 **Financial Wherewithal**

At the time of the execution of any REPA, all project owners will be required to post a Security Fund in the form of cash, letter of credit, or corporate guarantee. If the bidder intends to maintain the Security Fund through a parental guarantee, the guarantor will need to provide a completed Credit Application. Bidders with guarantors should describe any current credit issues raised by rating agencies, banks, or accounting firms. In addition, bidders should provide any letters from banks/institutions that demonstrate the ability of the bidder's guarantor to successfully finance the project. (Appendix E)

6.5 **Legal Proceedings**

List all lawsuits, regulatory proceedings, or arbitration in which the bidder or its affiliates or predecessors have been or are engaged that could affect bidder's performance of its bid. Identify the parties involved in such lawsuits, proceedings, or arbitration, and the final resolution or present status of such matters. (Appendix E)

6.6 **Facility Information**

In addition to completing (Appendix B) - Bid Summary, proposals must also include narratives containing adequate detail to allow AEPSC to evaluate the merits and credibility of the proposed resources. Respondents must address the following topics:

6.6.1 **Technology Specific Information**

A. Biologically-derived methane gas (including landfill gas) / Biomass Energy / Black Liquor / Combined Heat and Power (non-fossil fueled resources) / Distributed Generation Systems (non-fossil fueled resources) / Fuel cells / Urban Waste / Waste Heat Recovery / Waste to Energy (including municipal solid waste) / Wood and Wood Waste

Proposals shall include information describing applicable fuel types, fuel sources, fuel contracts, fuel procurement/transportation plans, fuel price risk and availability risk issues. Proposals involving combustion type resources shall also include combustion process by-product emission rates, including SO_x, NO_x, CO₂, methane, nitrous oxide, CFCs, HCFCs, heavy metals, halides, unburned hydrocarbons, ash, and other emissions in gaseous or liquid form, dissolved in another liquid or mixed with a solid for offsite disposal. Describe the quantity and type of all environmental permits for air, water, and ash compliance required to develop the project, and if such permits and approvals are not already in the bidder's possession, provide information regarding the plan to acquire such permits and associated approvals. Proposals should also include gas production forecast for resources identified, including decay rate of gas production from landfill or digester processes for closed or active sources, and forecast for future sources planned.

B. Geothermal Energy / Geothermally-derived methane

Please provide a summary of all collected geothermal data for the proposed or existing site and characterize the geothermal resource quality,

quantity and proposed production levels. Describe land lease and rights issues and describe test drilling performed (if applicable). Provide a table or graph that illustrates the annual and monthly projection of geothermal resources.

C. Ocean Thermal, Wave, Tidal, Hydrokinetic

Please provide a summary of all collected data for the proposed or existing site and characterize the resource quality, quantity and proposed production levels. Describe lease and rights issues and describe testing performed to support projected generation from the resource. Provide a table or graph that illustrates the annual and monthly projection of resources and associated generation.

D. Low Impact Hydropower

Please provide a summary of all collected hydro data for the proposed or existing site. This data only needs to be included on the CD copy of the bid proposal. Describe land lease and rights issues. Provide a table or graph that illustrates the annual and monthly projection of hydro resources (Appendix C). The hydro facility will need to be certified by the Low Impact Hydro Institute and comply with the Endangered Species Act.

E. Solar (Photovoltaic and Thermal)

Solar energy proposals must provide an expected 8,760 hourly energy production profile of representative meteorological data for a typical calendar year. This may include theoretical modeling or a combination of on-site metered data and theoretical modeling. Bidders must provide the resource data measurement method used to derive the data (for example, whether it was collected on site, at a nearby station, or inferred from satellite data), must identify the number of years of solar data available and employed in the average expected hourly generation calculations as well as describe the accuracy of that data. If the measurement method relies entirely—or in part—on theoretical data, the bidder should include

background information on the firm that conducted the study, the technology employed and any track record attesting to the accuracy of the methods used. Proposals that include thermal storage must describe the storage dispatch optimization logic inherent in their production estimates. Proposals that include gas hybridization should exclude any non-solar energy production in their production estimates. Upon request, bidders must be prepared to provide AEPSC the underlying solar data supporting these estimates with the understanding that SWEPCO may engage an external consultant for an independent verification and evaluation of the solar resource. The provided data shall be sufficient for these purposes.

F. Wind Power

Wind energy proposals must provide an expected 8,760 hourly energy production profile of representative wind data for a typical calendar year with the measurement height referenced and any extrapolations used to estimate wind speeds at the proposed hub height (Appendix C – This profile only needs to be included on the CD copy of the bid proposal). Proposals must also provide the source and basis of the wind speed data used in the development of energy projections for the project. Explain the assumptions for wake losses, line losses, etc., and the location where the data was measured. Bidders shall submit a summary of all available historical wind data for the proposed site. Proposals must provide the wind turbine power curve adjusted for the site's specific air density. Also provide the contact information, resume and experience of the consulting meteorologist engaged for wind measurement and energy projections from the proposed project. (Appendix B-3)

- 6.6.2 Location - Project location, the merits of the selected site, and the proposed land rights (including permitting issues). Provide copies or summaries of leases, easements, and/or other ownership documents that demonstrate that the bidder has control of the intended project properties

and the legal right to construct, interconnect and operate the project as described.

- 6.6.3 Project Layout – Proposals must show anticipated placement of major equipment and other project facilities, including transmission layouts and the Point of Delivery. (Appendix B)
- 6.6.4 Reliability of Proposed Technology – Proposals must provide the description, size, number and manufacturer of the generation equipment that will be used, including a summary of the commercial operating experience of the equipment chosen. Where applicable, bidders should also indicate significant turbine warranty terms it expects to secure from the proposed turbine supplier. If a final equipment selection has not been made, list the candidates under consideration and the status and schedule of the selection process. Also provide a description of the system intended to provide real-time telemetering data (i.e. wind speed (if applicable), availability, production etc.) to the power purchaser. (Appendix B)
- 6.6.5 Interconnection – Proposals must include copies of all studies prepared or required by the applicable transmission or distribution provider. If no studies are available, Bidders should provide copies of transmission or distribution system studies performed by third parties together with qualifications of same.
- 6.6.6 Project and Construction Schedule – Schedules must include major milestones such as completion of permitting, financing, regulatory requirements, procurement, major construction, testing, Commercial Operation Date, etc.
- 6.6.7 Financing Plan – Bidders must provide a proposed financing plan, including any letters of support, previous correspondence with banks / lenders intending to provide financing for the project. Also provide the

proposed on-going debt-equity ratio to be carried by the project during construction and during operation.

6.6.8 Subsidies - Bidders must indicate if their proposal is dependent upon any existing state or federal tax credit or grant program and expiration of said program.

6.6.9 NERC Compliance – Bidder must provide a detailed plan for maintaining compliance with all NERC requirements (www.NERC.com).

7. Minimum Bid Eligibility Requirements

This section outlines the minimum requirements that all proposals must meet to be eligible to participate in this RFP. Proposals unable to meet the following criteria will be deemed to be ineligible and not be considered for further evaluation.

- 7.1 Proposals must include all applicable content requirements described in Section 6, including all requested information and completed forms.
- 7.2 Proposals must offer documentation that shows an acceptable level of development, credit, and technology risk, as determined by AEPSC's bid evaluation team.
- 7.3 Proposals must demonstrate that the bidder's project development members have the experience to successfully complete the development, financing and commissioning of the proposed project, and that it intends to use experienced suppliers and contractors to construct the project.

8. Bid Evaluation and Selection Procedures

This section describes AEPSC's evaluation of the RFP bids and selection of short-listed bidders for further discussions and potential negotiations leading to the execution of one or more REPAs.

- 8.1 The objective of the AEPSC bid evaluation is to identify the proposal or proposals which best meet the needs identified in this solicitation. The evaluation process will include an assessment of both economic and non-economic criteria. The economic evaluation will primarily be focused on the price (\$/MWh) of the product delivered to SPP. Non-economic factors will be assessed through a due diligence process that will gauge the relative risks and benefits of the proposal. A bid evaluation team will evaluate and select bids, and subject matter experts may directly contact bidders during the bid evaluation stage.

Bids will be evaluated using a multi-step process as outlined below. SWEPCO will review its bid results and evaluations with the LPSC staff prior to bid award.

A. The information provided in each initial bid will first be evaluated for completeness and consistency with the proposal content and bid requirements outlined in this RFP.

B. As a result of this screening review, AEPSC will eliminate bids that do not meet the requirements described in this RFP from further consideration. AEPSC will limit follow up contacts to clarify bids or request additional information only to those bids that meet the requirements described in this RFP. The bid evaluation process will include an assessment of both price and non-price factors.

C. Evaluation of PPA Proposals may include the imputed cost (revenue requirement) of additional common equity required to maintain the Company's current debt-equity ratio should the PPA be determined to be treated as a capital lease under GAAP or imputed as debt on the Company's balance sheet by a bond rating agency.

AEPSC will utilize a “first-price sealed bid format” to generate a short-list from which it will determine those proposals that will lead to post-bid negotiations. Under this format, AEPSC will utilize the initial pricing structure submitted by the bidder to select the short-listed entities. AEPSC will not accept updated pricing from bidders during the evaluation period. AEPSC will negotiate both price and non-price issues during the post-bid negotiations. Preliminary due diligence will also be conducted at this stage to identify any flaws associated with the bid that are unacceptable to AEPSC, such as an exceptionally high level of development, credit, or technology risk. As a result of this screening, AEPSC may either eliminate bids from further consideration, or contact bidders to clarify information or request additional information.

8.2 AEPSC reserves the right not to engage in post-bid negotiations with any bidder that has not made the short-list. Selection for the short-list and post-bid negotiations does not constitute a “winning bid proposal”. Only execution of a definitive agreement by both AEPSC and the bidder on mutually acceptable terms will constitute a “winning bid proposal”.

8.3 Projects meeting the minimum threshold requirements will be analyzed further. In addition to pricing (\$/MWh), the following factors described below will be used to further analyze the viability of the proposed project.

A. Developer experience – To help ensure a timely and successful completion of the proposed project, AEPSC prefers bidders with a successful history of developing similar projects in the United States.

B. Proposed date of Commercial Operation – To help ensure maximum benefits to AEP’s customers, AEPSC prefers proposals that provide substantial assurances that the project will be on-line no later than in accordance with the Proposal Due Dates outlined in Section 3.

C. Time and feasibility – AEPSC will review the timelines for acquiring, and the feasibility of obtaining, all required permits and land rights (including those required for new transmission facilities).

D. Creditworthiness – AEPSC prefers bidders that can reasonably demonstrate the ability to obtain credit support in the future from credit support providers (banks, parent companies, financial institutions). These credit support providers should demonstrate a high level of creditworthiness, as gauged from the Credit Application in Appendix E and in accordance with Section 11 of the REPA.

E. Proximity and availability of interconnection facilities – Bidders must provide the status and schedule for completion of the necessary transmission or distribution arrangements to provide the generator interconnection and delivery of energy at the bid-specified Point of Delivery.

F. Property and site control – AEPSC prefers bids that demonstrate a high level of site control through executed land leases/easements, purchase options, etc.

G. Project capacity – All proposals must offer the minimum sizes as set forth in 2.2.2.

H. Proven generation technology – AEPSC will evaluate the proposed technology and the commercial terms of the generation equipment supply agreement. If a proposed technology is categorized by AEPSC as un-proven, AEPSC shall consult with Staff as required by the LPSC General Order prior to rejecting the proposal.

I. Probability of financing – In the evaluation of the proposals, AEPSC will assess the reasonableness of the proposed financing plan, project budget, pro forma financials and whether the bidder has demonstrated success in financing past projects in the United States. In addition, please fully explain if the proforma

assumes the use of the PTC, ITC or any other available state or federal grants, incentives or subsidies.

J. Confidence in long-term energy projections – AEPSC will factor the experience of the parties involved in making the energy projections, as well as the quality and quantity of on-site data provided, as a non-price factor.

K. Regulatory Considerations - AEPSC will consider only projects that are likely to receive regulatory approval for cost recovery. All REPAs executed as a result of this RFP will be subject to LPSC approval.

9. Post-Bid Negotiations and Awarding of Contracts

9.1 AEPSC intends to negotiate both price and non-price factors during post-bid negotiations with the bidder or bidders whose proposal is or are selected for further discussions at the completion of the bid evaluation process. AEPSC may request additional information regarding factors that may impact the total cost or schedule of the project to update its economic and risk evaluation until such time as AEPSC and the bidder(s) execute a definitive agreement(s) acceptable to AEPSC in its sole and absolute discretion.

9.2 Neither AEPSC nor SWEPCO are obligated to enter into a definitive agreement with any bidder responding to this RFP and may terminate or modify this RFP at any time without liability or obligation to any respondent. AEPSC also reserves the right to negotiate with only those bidders who propose transactions that AEPSC believes propose the best combination of value to SWEPCO and its customers.

10. Regulatory Approvals

10.1 Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all State, Federal, or other regulatory approvals required for the effectiveness of the REPA.

- 10.2 The REPA shall also be dependent upon AEPSC and SWEPCO obtaining sufficient assurance that the bundled renewable energy product (energy + REC + capacity + beneficial environmental interests) purchased pursuant to the REPA will be recognized for recovery in the rates charged to its jurisdictional customers. The determination of what constitutes “sufficient assurance” shall be at the sole discretion and judgment of AEPSC and SWEPCO.

Appendix A

Expression of Interest Form

Email to: 2011SWEPCORenewableRFP@aep.com

Due: in accordance with RFP schedule

Note that completion of **ALL** information is required.

This response is an indication of our interest in the AEPSC Request for New Renewable Resources capable of being on-line between 1/1/2010 and 12/31/2014. This response also establishes contact information for future communications regarding this RFP.

| | | | | |
|--|--|-----|-------------|------------------|
| Company: | | | | |
| (legal name of entity of intended signatory to a contract) | | | | |
| Contact Name: | | | | |
| Contact Title: | | | | |
| Address: | | | | |
| City: | | | | |
| Phone Number: | | | Fax Number: | |
| E-mail address: | | | | |
| Interconnected to: | | SPP | | Other (Describe) |

| Resource Type (check one) | | | | |
|---|--|--|--|--|
| <input type="checkbox"/> Biologically derived methane gas (incl. landfill gas) | | | | |
| <input type="checkbox"/> Biomass energy | | <input type="checkbox"/> Black Liquor | | |
| <input type="checkbox"/> Combined Heat and Power ("CHP") based on non-fossil fueled resources | | | | |
| <input type="checkbox"/> Distributed generation systems based on non-fossil fueled resources | | | | |
| <input type="checkbox"/> Fuel cells | | <input type="checkbox"/> Geothermal energy | | |
| <input type="checkbox"/> Geothermally-derived methane | | <input type="checkbox"/> Low impact hydropower | | |
| <input type="checkbox"/> Ocean thermal, Wave, Tidal, Hydrokinetic | | <input type="checkbox"/> Solar Photovoltaic or Thermal | | |
| <input type="checkbox"/> Waste Heat Recovery ("WHR") | | <input type="checkbox"/> Urban waste | | |
| <input type="checkbox"/> Waste-to-energy including municipal solid waste ("MSW") | | | | |
| <input type="checkbox"/> Wind power | | <input type="checkbox"/> Wood and wood waste | | |

AEP Affiliates Certification

Bidder does not have an affiliate relationship (whether by ownership, joint venture or other association) with AEP or any AEP affiliate; and the proposed bid is for power generated by facilities that are not owned by, or otherwise associated with AEP, or any AEP affiliate.

Authorized Signature and Date _____

Appendix B-1

Bid Summary

Project Name _____
Unique Bid Name _____
Estimated Commercial Operation Date (mm/dd/yy) _____
Name Plate (MW) _____ Expected Annual Availability (%): _____
Expected Annual Production (MWh) _____
Has major equipment (e.g. turbines) for this project been secured, purchased? ____

| <u>Bid Price "A" (no escalation)</u> | <u>Bid Price "B" (2.25% annual escalation)</u> |
|---|---|
| <u>\$</u> _____ / MWh | <u>\$</u> _____ / MWh |

Term Length (10 year minimum / 20 year maximum): _____

Site Information:

Site Address/Legal Description: _____
Site Geographic Location: Longitude: _____ Longitude: _____
County: _____ City: _____ State: _____ Zip: _____
Site Control: _____ Already Own Site _____ Site Purchase Pending
_____ Currently lease site % (acres) leased _____
Is there potential for expansion? Y ____ N ____
What is possible additional acreage available? _____
Has the site been assessed for any environmental contamination? Y ____ N ____ (If
there are any known issues, please describe on separate attachment)
Please attach a copy of all leases, easements or other ownership documentation.

Interconnection and Point of Delivery:

Point of Delivery: _____
Point of Interconnection with, [Insert Utility] _____
County: _____ City: _____ State: _____ Zip: _____
Substation Name: _____
Interconnection Voltage: _____

Note: Developers of Non-SPP located projects shall explain in detail the path by which the Bidder expects the delivered energy will take to get to SPP or SWEPCO. In addition, Bidder shall submit copies of any applicable studies and contracts.

Appendix B-2

Has a feasibility study been performed for the proposed project? Y___ N___

Please attach a copy of all interconnection studies and / or the expected completion date.

SPP Interconnection queue # (if applicable): _____

Other Interconnection queue # (define): _____

Please attach a layout that depicts turbines, other collection system facilities, transmission interconnection and the point of delivery.

Permits:

Have you contacted permitting agencies regarding this project, and identified the necessary permits?

City: Yes: ___ No:___ County: Yes: ___ No:___ State: Yes: ___ No:___

Federal: Yes: ___ No: ___

On an additional sheet, list and describe all city, county, state and federal permits required for this project. Include: status, duration, planned steps, critical milestones and acquisition timeline.

Reliability of Proposed Technology:

Has final equipment selection been made Y_____ N_____

If yes, provide the major equipment information:

Quantity_____ Size _____ Manufacturer_____

Please attach a summary of the equipment warranty terms.

If no, please provide the major equipment manufacturer candidates:

1. _____

2. _____

Please attach a description of the status and scheduled selection process.

Appendix B-3

(for wind projects only)

Please provide a description of the system intended to provide real time telemetry data.

Wind Data:

Wind speed data:

Source: _____ Basis: _____

Measurement height: _____

Please provide a summary of available historical wind data.

Please attach an 8760 calendar year net hourly forecast and address any extrapolations used.

Consulting meteorologist information

Name: _____

Address: _____

Contact Number: _____

Please attach the resume of this consulting meteorologist.

Appendix B-4

(for solar photovoltaic projects only)

Please provide a description of the system intended to provide real time telemetry data.

Name Plate (MW_{AC}) _____ Expected Capacity Factor: (%): _____

Expected Annual Production (MWh) _____ Annual Degradation (%) _____

Thin Film (Y/N) _____ Fixed Panel or Tracking System _____

Panel Manufacturer _____

Have solar panels for this project been secured, purchased (Y/N) _____

Solar Data:

Please supply information regarding the source of the solar data used to determine the projected net hourly forecast as required in Appendix C. In addition, describe the calculations and assumptions used in the development of the forecast.

Please provide a summary of available historical solar data.

Consulting meteorologist information

Name: _____

Address: _____

Contact Number: _____

Please attach the resume of this consulting meteorologist.

Appendix B-5

(for fossil-fuel projects)

Name Plate (MW_{AC}) _____ Expected Capacity Factor: (%): _____

Expected Annual Production (MWh) _____

Major Equipment / Manufacturer: _____

Has the major equipment for this project been secured, purchased (Y/N) _____

Primary Fuel Type: _____

Primary Fuel Source: _____

Secondary Fuel Type: _____

Secondary Fuel Source: _____

Fuel Storage Capacity: _____

Non-Renewable Fuel: Please describe the non-renewable fuel(s) required for ignition, startup, testing, flame stabilization, and control uses. In addition, identify the projected percentage (%) of non-renewable fuel to total fuel consumed on an annual basis.

Fuel Plan: In a separate attachment, please describe in detail the projects fuel plan, including source of fuel(s), deliverability, etc.

Appendix C

Energy Input Sheet

(See attached Excel spreadsheet)

Appendix D

Mutual Confidentiality Agreement

Email to: 2011SWEPCORenewableRFP@aep.com
American Electric Power Service Corporation
155 West Nationwide Boulevard
Suite 500
Columbus, OH 43215
Fax: (614) 583-1611

Due: June 1, 2011

This Mutual Confidentiality Agreement (“Agreement”) dated as of _____, 2011 (“Effective Date”) is made and entered into by and between American Electric Power Service Corporation (“AEPSC”), as agent for Southwestern Electric Power Company (“SWEPCO”), and *insert full legal name, a(n) insert state of formation insert type of company* (“Bidder”).

Recitals:

I. Bidder is or is considering submitting a proposal (the “Proposal”) in response to a Request for Proposals (the “RFP”) issued by AEPSC for renewable energy as described in the RFP. If submitted, the Proposal will become the property of AEPSC and shall be held confidential under terms of the RFP.

II. It may become desirable that AEPSC and Bidder exchange other confidential information pursuant to questions, responses or other communications that are not contained in the Proposal and which the parties desire to protect as confidential.

III. In addition, if the Proposal, if submitted, is selected by AEPSC, then Bidder and AEPSC will negotiate about a proposed agreement between AEPSC and Bidder to implement the Proposal (the “Proposed Agreement”). Bidder and AEPSC want to keep all negotiations concerning the Proposed Agreement, including the Proposed Agreement itself and all drafts of the Proposed Agreement, confidential.

IV. The parties are willing to exchange such confidential information pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

Section 1. Definitions.

- 1.1** (a) “Confidential Information” means any information that is disclosed by the Disclosing Party to the Receiving Party or its Representatives in connection with the RFP or any Proposed Agreement (collectively, the “Transaction”), whether before or after the date hereof and irrespective of the format in which the information is provided. For avoidance of doubt, “Confidential Information” includes:
- (i) Written information or machine-readable data, including questions, responses or communications in connection with AEPSC’s RFP or any Proposed Agreement, notes, reports, assessments, specifications, drawings, financial statements and projections, software and databases, customer information, sales and marketing strategies, and any other written information or machine-readable data;
 - (ii) Orally conveyed information, including but not limited to demonstrations that are directly related to written or other tangible Confidential Information;
 - (iii) Any hardware, including but not limited to samples, devices and any other physical embodiments delivered to the Receiving Party;
 - (iv) Any Evaluation Material; or
 - (v) The existence of this Agreement, the terms of this Agreement and any Proposed Agreement, including all drafts of the Proposed Agreement and all negotiations concerning the Proposed Agreement, that may arise stemming from the Bidder’s Proposal.
- (b) “Confidential Information” does not include information which:
- (i) is, or subsequent to disclosure becomes, part of the public domain through no fault of the Receiving Party;
 - (ii) is lawfully disclosed to the Receiving Party by a third party which, to the knowledge of the Receiving Party, does not have a confidentiality obligation to the Disclosing Party;
 - (iii) was lawfully in the possession of the Receiving Party prior to disclosure by the Disclosing Party; or

- (iv) is lawfully and independently developed by the Receiving Party without use of the Confidential Information disclosed by the Disclosing Party.

- 1.2** “Disclosing Party” means the party disclosing Confidential Information.
- 1.3** “Evaluation Material” means notes, reports or other documents which reflect, interpret, evaluate, include or are derived from the Confidential Information.
- 1.4** “Receiving Party” means the party receiving Confidential Information.
- 1.5** “Representatives” means a party’s employees, officers, directors, attorneys, accountants, consultants, advisors and agents (including potential lenders, equity partners, underwriters, or other parties involved in the Transaction for the party), and the party’s affiliates and the employees, officers, directors, attorneys, accountants, consultants, advisors and agents thereof.

Section 2. Confidentiality. Except as provided in Section 5, the parties hereby agree that the Confidential Information will be kept confidential during the term of this Agreement. The parties also agree that without the prior written consent of the Disclosing Party, the Confidential Information will not be disclosed by the Receiving Party, in whole or in part, to any other person except as provided herein. Each party shall use the same care in protecting the other’s Confidential Information as it uses to protect its own confidential information, provided that neither party shall use less than reasonable efforts to protect the other’s Confidential Information. Notwithstanding the foregoing, the Receiving Party may (a) disclose Confidential Information to its Representatives whose access is necessary to conduct the evaluations and negotiations in connection with the Transaction, or for supervisory, regulatory or similar purposes, and who have been informed of and have agreed to abide by the confidentiality restrictions contained in this Agreement and (b) make a limited number of copies of the Confidential Information in order for the Receiving Party to adequately use the Confidential Information subject to the terms and conditions of this Agreement. Each party agrees to be responsible for the actions, uses and disclosures of any of its Representatives in accordance with the terms and restrictions of this Agreement.

Section 3. Ownership and Use of Confidential Information. All Confidential Information (except Evaluation Material) shall remain the property of the Disclosing Party. No license or other rights under any patents, trademarks, copyrights or other proprietary rights is granted or implied by the disclosure of the Confidential Information. Neither party shall use the Confidential Information for any purpose other than for evaluation of and negotiations relating to the Transaction.

Section 4. Disposition of Confidential Information. The Receiving Party, upon written request from the Disclosing Party, shall promptly return or destroy all

Confidential Information in its possession; provided, however, with respect to Evaluation Materials, the Receiving Party may at its discretion destroy such Evaluation Material. If requested by the Disclosing Party, the Receiving Party shall provide the Disclosing Party with a certification that all Confidential Information and Evaluation Material has either been returned or destroyed, as appropriate. Notwithstanding the foregoing, the Receiving Party may retain one copy of the Confidential Information solely for archival purposes and for the purpose of demonstrating compliance with this Agreement. The return or destruction of the Confidential Information shall not extinguish any rights or obligations under this Agreement with respect to the Confidential Information.

Section 5. Legally Required Disclosures. If the Receiving Party or its Representatives become subject to a bona fide requirement or request by any regulatory, governmental, judicial or supervisory authority (by subpoena, oral deposition, interrogatories, request for production of documents, civil investigative demand, administrative order or otherwise), to disclose any of the Confidential Information, or if such disclosure is necessary in order to obtain or maintain regulatory or governmental approvals, applications or exemptions, the Receiving Party will provide the Disclosing Party with as much advance notice as and to the extent as permitted and practicable to afford the opportunity to seek an appropriate protective order or other appropriate remedy to prevent the disclosure. The Receiving Party or any of its Representatives being compelled to disclose such Confidential Information shall reasonably cooperate with the Disclosing Party, at its expense, to enable the Disclosing Party to obtain a protective order or other reliable assurance that confidential treatment will be accorded the same. If such protective order or other appropriate remedy is not obtained, the Receiving Party or any of its Representatives being compelled to disclose such Confidential Information may disclose the information without liability hereunder provided that the party may only furnish that portion of the Confidential Information which is legally required or necessary.

Section 6. Term. If the Bidder's Proposal and/or related negotiations do not result in a final agreement, then this Agreement is effective for two (2) years from the Effective Date stated above. If the negotiations result in a final agreement, then this Agreement is effective until two (2) years after the termination of the final agreement.

Section 7. No Warranties. The Disclosing Party makes no representations or warranties as to the reliability, accuracy or completeness of the Confidential Information. The Disclosing Party shall not be subject to any liability to the Receiving Party based on the Receiving Party's use of the Confidential Information.

Section 8. Remedies. The parties acknowledge that improper or unauthorized use or disclosure of Confidential Information could cause irreparable harm to the Disclosing Party and that monetary damages would not be an adequate remedy for a breach of this Agreement. In the event of any breach or threatened breach of this Agreement, the non-

breaching party shall be entitled to pursue injunctive and other equitable relief, and the breaching party agrees to waive any requirement for the posting of a bond in connection with such remedy. Such injunctive and equitable relief shall not be deemed to be the exclusive remedy for a breach of this Agreement, but shall be in addition to all other available remedies. In no event shall either party be liable to the other for any incidental, indirect, special, punitive or consequential damages (including without limitation damages for lost profits).

Section 9. Relationship of Parties. Neither party shall have any obligation to commence or continue discussions or negotiations, to exchange any Confidential Information, to reach or execute any agreement with the other party, to refrain from engaging at any time in any business whatsoever, or to refrain from entering into or continuing any discussions, negotiations or agreements at any time with any third party, until each party executes a definitive agreement. Until such definitive agreement is executed, neither party shall have any liability to the other party with respect to the Transaction except as set forth in this Agreement. Neither party shall have any liability to the other party in the event that, for any reason whatsoever, no such definitive agreement is executed.

Section 10. General.

- 10.1 Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of [New York].
- 10.2 Entire Agreement.** This Agreement constitutes the entire Agreement between the parties, supersedes any prior understandings or representations relating to the confidential treatment of the Confidential Information, and shall not be modified except by a written agreement signed by both parties.
- 10.3 Assignability.** This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that AEPSC may assign this Agreement to one or more of its affiliated companies.
- 10.4 Severability.** All provisions of this Agreement are severable, and the unenforceability of any of the provisions of this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement.
- 10.5 No Waiver.** Failure of either party to insist upon strict performance of any of the terms and conditions shall not be deemed to be a waiver of those terms and conditions.

10.6 Counterparts and Faxed Signatures. This Agreement may be executed in counterparts, and in the absence of an original signature, faxed signatures will be considered the equivalent of an original signature.

10.7 Notices. Notices shall be in writing and shall be sent to the addresses listed below, either by personal delivery, by the U.S. Mail, overnight mail, fax or other similar means. All notices shall be effective upon receipt.

The parties have signed this Agreement effective as of the later signature date set forth below.

**American Electric Power Service
Corporation, as agent for
Southwestern Electric Power Company**

BIDDER: insert full legal name

By:_____

By:_____

Print Name:_____

Print Name:_____

Title: _____

Title:_____

Date:_____

Date:_____

Bidder Address:

Attn:_____

Appendix E

Bidder's Credit-Related Information

Provide the following data to enable AEP to assess the financial viability of the bidder as well as the entity providing the credit support on behalf of the bidder (if applicable). Include any additional sheets and materials with this Appendix as necessary. As necessary, please specify whether the information provided is for the bidder, its parent or the entity providing the credit support on behalf of the bidder.

Full Legal Name of the Bidder: _____

Type of Organization: (Corporation, Partnership, etc.) _____

Bidder's Percent Ownership in Proposed Project: _____

Full Legal Name(s) of Parent Corporation _____

Entity Providing Credit Support on Behalf of Bidder (if applicable) _____

Address for each entity referenced (provide additional sheets, if necessary) _____

Type of Relationship _____

Current Senior Unsecured Debt Rating from each of S&P and Moody's Rating Agencies (specify the entity these ratings are for) _____

Bank References & Name of Institution: _____

Bank Contact: Name, Title, Address and Phone Number: _____

Pending Legal Disputes, if any (describe): _____

Financial Statements: (Please provide copies of the Annual Reports for the three most recent fiscal years and quarterly report for the most recent quarter ended, if available. If available electronically, please provide link.

Appendix F

(Bidder Profile)

Please list Bidder's Affiliate companies:

Please attach a summary of Bidder's background and experience in Renewable Energy Resource projects.

References:

1. Company

Contact Name;

Contact Number:

Project:

2. Company

Contact Name;

Contact Number

Project:

3. Company

Contact Name;

Contact Number

Project:

Appendix G

(Financing Plan)

Appendix H

(Glossary of Eligible Resources)

Biologically-derived methane gas (including landfill gas) - gas that is derived from the anaerobic digestion or decay of organic matter.

Biomass resources that are eligible - are any organic material not derived from fossil fuels, including agricultural crops grown specifically for energy, agricultural wastes and residues, waste pallets, crates, dunnage, manufacturing and construction wood wastes, railroad tie derived fuel, landscape and right-of-way tree trimmings, mill waste residues, biosolids, sludge derived from organic matter, and all types and forms of woody biomass without restrictions.

Black liquor - lignin-rich by-product of fiber extraction from wood in Kraft (or sulfate) pulping, which may be used to produce electricity.

Combined heat and power ("CHP") resources - a plant designed to simultaneously produce both electricity and thermal energy recovered for purposes other than electric power production. Also known as cogeneration. For purposes of the Renewable Energy Pilot, only CHP projects that are based on non-fossil fueled resources are permitted.²

Distributed generation systems based on non-fossil fueled resources - a small-scale electricity generation facility sited in or close to a load center or at a customer's site and used primarily to offset all or part of the customer's electrical load.

Fuel cells - an energy conversion device that combines hydrogen-bearing fuels with airborne oxygen in an electrochemical reaction to produce electricity.

Geothermal energy - natural heat from within the earth, and geothermally-derived methane and other energy which is all captured from a geothermal well-bore for the production of electricity. Geothermal Energy includes electricity produced from geothermal processes, including both "hydropressured" reservoirs (normal or below normal pressure) and "geopressured" reservoirs (above normal pressure). However, the amount of electricity from geothermally-derived methane and other energy produced from a geothermal well-bore and sold to a utility as renewable energy may not exceed, on an annual basis, the amount of electricity from natural heat produced at the same geothermal well-bore and sold to a utility as a renewable energy.

Geothermally-derived methane – Naturally occurring methane dissolved in geothermal formation water, which is produced from a new geothermal well-bore drilled specifically

² Fossil fuel is defined as any fuel comprised of hydrocarbon constituents, including coal, petroleum, or natural gas, occurring in and extracted from underground deposits, and mixtures or byproducts of these hydrocarbon constituents.

to produce heat necessary to generate electricity from an Organic Rankine Cycle or similar unit.

Hydrokinetic - electricity produced by harnessing the kinetic energy of the motion of a body of running water such as a river.

Low impact hydropower - electricity produced by using falling water to turn a turbine generator.

Ocean thermal - any technology that uses the temperature gradient between deep and surface ocean water to produce electricity.

Ocean wave - any technology that extracts energy directly from the surface motion of ocean waves or from pressure fluctuations below the surface to produce electricity.

Solar photovoltaic - a technology that uses a semiconductor to convert sunlight directly into electricity.

Solar thermal - the optical concentration of solar rays through an arrangement of mirrors, lenses, or other reflective surfaces to heat a high temperature working fluid, which in turn is used to produce steam and consequently electricity.

Urban waste - wood, woody material, yard clippings, and other renewable waste products captured inside urban boundaries.

Waste heat recovery ("WHR") - any technology that recovers heat that is normally discharged to the atmosphere as a byproduct of a separate process and utilizes that waste heat to produce electricity.

Waste-to-energy including municipal solid waste ("MSW") - any technology that produces electricity from any putrescible and non-putrescible solid, semisolid, and liquid wastes, including garbage, trash, refuse, paper, rubbish, ashes, demolition and construction wastes, dewatered, treated, or chemically-treated sewage sludge which is not hazardous waste, manure, vegetable or animal solid and semi-solid wastes, and other discarded solid and semi-solid wastes.

Wind power - energy from wind converted into mechanical energy, usually via a turbine, and then electricity.

Wood and wood waste - see definition of biomass energy above.